

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

IN THE ALLEN SUPERIOR COURT

CAUSE NO. _____

02001-0609-PL-520

STATE OF INDIANA,)
)
Plaintiff,)
)
v.)
)
SHILOH REED,)
individually, and doing business as)
KALYPSO'S INTERNET)
CONSIGNMENT, LLC, and)
)
KALYPSO'S INTERNET)
CONSIGNMENT, LLC,)
)
Defendants.)

FILED BY
CERTIFIED REGISTERED MAIL
SEP 13 2006

**COMPLAINT FOR INJUNCTION,
RESTITUTION, COSTS, AND CIVIL PENALTIES**

The State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1, *et seq.*, for injunctive relief, consumer restitution, investigative costs, civil penalties, and other relief.

PARTIES

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5-0.5-4(c).

2. At all times relevant to this Complaint, the Defendant, Shiloh Reed, individually and doing business as Kalypso's Internet Consignment, LLC, was an individual engaged in the sale of items via the Internet on behalf of consumers from his

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SEP 29 2006

principal place of business in Allen County, located at 7605 Coldwater Road, Fort Wayne, Indiana 46845-9032.

3. At all times relevant to this Complaint, the Defendant, Kalypso's Internet Consignment, LLC, was a domestic limited liability company engaged in the sale of items via the Internet on behalf of consumers from its principal place of business in Allen County, located at 7605 Coldwater Road, Fort Wayne, Indiana 46845-9032.

4. Upon information and belief, the Defendant, Shiloh Reed, is the principal of the Defendant Company, Kalypso's Internet Consignment, LLC, and has failed to maintain proper corporate form, failed to operate the Defendant Company as a distinct entity, and has used the Defendant Company to defraud others.

FACTS

5. At least since April 25, 2003, the Defendants have sold items on behalf of consumers via the Internet.

A. Allegations Regarding Consumer Tom Dimmich's Transaction.

6. On or about October 18, 2005 the Defendants entered into a consignment contract with Tom Dimmich ("Dimmich") of Auburn, Indiana, wherein the Defendants represented they would sell Christmas plates on behalf of Dimmich for a commission.

7. In December of 2005, the Defendants informed Dimmich the Christmas plates did not sell, but offered to re-list the items on Dimmich's behalf, to which Dimmich agreed.

8. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the plates to Dimmich within a reasonable period of time.

9. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the plates to Dimmich.

B. Allegations Regarding Consumer Mark Lange's Transaction.

10. On or about December 10, 2005 the Defendants entered into a consignment contract with Mark Lange ("Lange") of Fort Wayne, Indiana, wherein the Defendants represented they would sell an Oster Kitchen Center on behalf of Lange for a commission.

11. Upon information and belief, the Defendants sold Lange's Kitchen Center to a consumer on or about December 18, 2005.

12. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the Kitchen Center to Lange within a reasonable period of time.

13. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the Kitchen Center to Lange.

C. Allegations Regarding Consumer George Hoffman's Transaction.

14. On or about January 6, 2006 the Defendants entered into a consignment contract with George Hoffman ("Hoffman") of Fort Wayne, Indiana, wherein the Defendants represented they would sell train sets on behalf of Hoffman for a commission.

15. Upon information and belief, the Defendants eventually sold Hoffman's train sets to other consumers.

16. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the train sets to Hoffman within a reasonable period of time.

17. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the train sets to Hoffman.

D. Allegations Regarding Consumer George Riemen's Transaction.

18. On or about January 17, 2006 the Defendants entered into a consignment contract with George Riemen ("Riemen") of Fort Wayne, Indiana, wherein the Defendants represented they would sell a stereo amplifier on behalf of Riemen for a commission.

19. Shortly thereafter, the Defendants sold Riemen's item to a consumer.

20. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the amplifier to Riemen within a reasonable period of time.

21. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the amplifier to Riemen.

E. Allegations Regarding Consumer Scott Coonrod's Transaction.

22. On or about January 31, 2006 the Defendants entered into a consignment contract with Scott Coonrod ("Coonrod") of Fort Wayne, Indiana, wherein the Defendants represented they would sell items on behalf of Coonrod for a commission.

23. On or about February 10, 2006, the Defendants sold Coonrod's items to other consumers.

24. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the items to Coonrod within a reasonable period of time.

25. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the items to Coonrod.

F. Allegations Regarding Consumer Dianne and Kristin Potter's Transaction.

26. On or about February, 2006 the Defendants entered into a consignment contract with Dianne and Kristin Potter ("the Potters") of Fort Wayne, Indiana, wherein the Defendants represented they would sell jewelry sets on behalf of the Potters for a commission.

27. Shortly thereafter, the Defendants sold the Potters' jewelry to other consumers.

28. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the jewelry to the Potters within a reasonable period of time.

29. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the jewelry to the Potters.

G. Allegations Regarding Consumer Edward A. Diggs' Transaction.

30. On or about February 1, 2006 the Defendants entered into a contract with Edward A. Diggs ("Diggs") of Fort Wayne, Indiana, wherein the Defendants represented they would sell items on behalf of Diggs for a commission.

31. Shortly thereafter, the Defendants sold Diggs' items to other consumers.

32. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the items to Diggs within a reasonable period of time.

33. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the items to Diggs.

H. Allegations Regarding Consumer Barbara Parker's Transaction.

34. On or about February 13, 2006 the Defendants entered into a consignment contract with Barbara Parker ("Parker") of Fort Wayne, Indiana, wherein the Defendants represented they would sell a model airplane collection on behalf of Parker for a commission.

35. Upon information and belief, the Defendants sold Parker's model airplane collection to a consumer on or about February 21, 2006.

36. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of contract formation they would either deliver the sales proceeds, or otherwise return the model airplane collection to Parker within a reasonable period of time.

37. As of today, the Defendants have yet to either deliver the sales proceeds, or to return the model airplane collection to Parker.

COUNT I - VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

38. The transactions identified in paragraphs 6, 10, 14, 18, 22, 26, 30, and 34, are "consumer transactions" as defined by Ind. Code § 24-5-0.5-2(1).

39. The Defendants are "suppliers" as defined in Ind. Code § 24-5-0.5-2(3).

40. The Defendants' representation to consumers the consumer transactions had characteristics or benefits they did not have, when the Defendants knew or reasonably should have known the transactions did not have such, as referenced in paragraphs 6, 10, 14, 18, 22, 26, 30, and 34, constitute violations of the Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(1).

41. The Defendants' representations to consumers the Defendants would deliver the proceeds from the sale of the items, or otherwise complete the subject matter of the consumer transactions, within a reasonable period of time, when the Defendants knew or reasonably should have known they would not, as referenced in paragraphs 8, 12, 16, 20, 24, 28, 32, and 36, are violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(10).

**COUNT II – KNOWING AND INTENTIONAL VIOLATIONS
OF THE DECEPTIVE CONSUMER SALES ACT**

42. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 - 42 above.

43. The misrepresentations and deceptive acts set forth in paragraphs 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, and 36, were committed by the Defendants with knowledge and intent to deceive.

RELIEF

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the Defendants, Shiloh Reed, individually and doing business as Kalypso's Internet Consignment, LLC, and Kalypso's Internet Consignment, LLC, for a permanent injunction pursuant to Ind. Code § 24-5-0.5-4(c)(1), enjoining the Defendants from the following:

- a. representing, expressly or by implication, the subject of a consumer transaction has sponsorship, approval, characteristics, accessories, uses, or benefits it does not have which the Defendants know or reasonably should have known it does not have; and
- b. representing, expressly or by implication, the Defendants are able to deliver or complete the subject of a consumer transaction within a reasonable period of time, when the Defendants know or reasonably should know they cannot.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendants for the following relief:

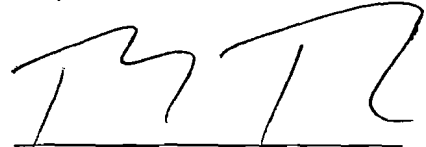
- a. consumer restitution, pursuant to Ind. Code § 24-5-0.5-4(c)(2), for reimbursement of items unlawfully retained, or funds unlawfully received by the Defendants on behalf of consumers, including but not limited to, those persons identified in 6, 10, 14, 22, 26, 30, 34, and 18, in an amount to be determined at trial;
- b. costs, pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;
- c. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-4(g), for the Defendants' knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;

- d. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-8, for the Defendants' intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and
- e. all other just and proper relief.

Respectfully submitted,

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By:



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